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1955

## The Marine Corps Stock Fund.

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THE  
GEORGE WASHINGTON UNIVERSITY  
NAVY GRADUATE COMPTROLLERSHIP PROGRAM

THE MARINE CORPS STOCK FUND

By  
Frederick S. Wood  
for  
Doctor A. Rex Johnson  
May 1955



## PREFACE

It is the intent of the author of this paper to give the reader a general picture of the establishment and operation of the Marine Corps Stock Fund.

The assistance given by the personnel of the Stock Fund Management Section, Headquarters Marine Corps, in assembling reference material is gratefully acknowledged.

The thoughts expressed herein, while based to a great extent on official publications, do not necessarily reflect the position of the Marine Corps on this subject.

## THEORY

It is the object of this paper to show that the  
theorems of the theory of the differential equations  
of the second order can be proved in a more  
general form than is usually given. The proof  
is given in the first part of the paper. In the  
second part, the theory is applied to the case  
of the differential equations of the second order.  
The results are given in the third part of the  
paper. The theory is applied to the case of the  
differential equations of the second order in the  
fourth part of the paper. The results are given  
in the fifth part of the paper.

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## CHAPTER I

### INTRODUCTION

A stock fund, defined in its simplest terms, is a revolving type of working capital fund established to finance inventories. In the business world a corporation uses current assets of cash and inventories to manufacture and market products expecting to receive sufficient return from the sale of these goods to replenish the current assets employed and usually to allow for a fair profit. In doing this the corporation can maintain or add to its working capital and thereby continue operations. The revolving stock funds used within the Defense Department are a type of working capital fund and operate under the same principle, except for the profit motive, as employed by commercial enterprises: that is, operations are geared to the maintenance of their working capital position in order that they will be able to continue operations. The funds are not expected to show either profit or loss from operations but rather to preserve the status quo.

Once established, a stock fund is composed of both cash and inventories. It "sells" its products to its "customers" who are, for the most part, other activities of the Defense Department. The using activities pay for the goods and services received with funds from their appropriations. These funds are then available to the management of the stock fund to replace inventories "sold". Thus, we see the revolving aspect. The cycle includes the stock fund





management buying its stores, selling them to the using activity, being reimbursed from the activity appropriation and then using funds to purchase replacement stores.

The operation of working capital funds is nothing new to the United States Navy. A Congressional Act of 3 March, 1893, established the stock fund principle by providing that:<sup>1</sup>

The Secretary of the Treasury is hereby authorized and directed to cause the General Accounts of Advances to be charged with the sum of \$200,000, which amount shall be carried to the credit of a permanent Naval Supply Fund, to be used under the direction of the Secretary of the Navy in the purchase of ordinary commercial supplies for the Naval Service and to be reimbursed from proper naval appropriation, whenever the supplies purchased under said fund are issued for use.

The fund established in 1893 grew tremendously and in 1921, after financing its aspect of World War I, had reached a value of over two hundred and sixty-five million dollars. The effects of World War II and the recent Korean Conflict have further greatly increased the value of the fund. At present the value of the expanded Navy Stock Fund together with the recently established Marine Corps Stock Fund is approximately three billion dollars.

In 1949, with the passage of the Title IV amendment to the National Security Act, the Secretary of Defense was authorized to establish working capital funds in all three of the military departments.<sup>2</sup> The advantages to be gained from the operation of

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<sup>1</sup>41 Stat. 1169

<sup>2</sup>Public Law 216, Sec. 405, 81st Congress





such funds will be mentioned in a later chapter. It is sufficient to state at this point that the Navy had successfully operated its Stock Fund for many years and there seemed no doubt that Congress, with a view to the increasing of efficiency in supply management, was expecting all military services to establish similar funds.

The inevitable happened. In a letter from the Secretary of the Navy to the Commandant of the Marine Corps received on 26 September 1952, immediate action was requested to establish a revolving fund for the financing of common-use standard-stock items in use in the Marine Corps. It was further requested that this fund be in operation by 1 July, 1953, or as soon thereafter as possible. In regard to this matter, Lt. Col. R. B. Farrelly, USMC, Head, Stock Fund Management Section, Headquarters Marine Corps, has made the following comments:<sup>3</sup>

... The task is easily stated. However, the full installation of a stock fund, including the implementation of a means for the consumer to purchase from stock is, to put it mildly, a "large order." In the case of the Marine Corps Stock Fund, the basic tasks to be accomplished were: (1) The design of a financial reporting system for inventories, and implementation of the system prior to inauguration of the fund. This task included the development of an accounting manual and education of the personnel who would be working with the system.

(2) The selection of items to be financed under the fund, including the assignment of proper catalog numbers and accurate standard prices, and the promulgation of this listing to field commands.

(3) The development of a financial plan for the fund which would project the requirement for cash as well as the estimate of the value of inventories to be capitalized. This plan should also project the estimated position of inven-

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<sup>3</sup>R. B. Farrelly, "Review and Summation of Marine Corps Stock Fund Management," Armed Forces Management, Vol. 1, No. 6, 1955



tories past the first year of operation by means of estimating sales, receipts and other types of inventory adjustments.

(4) The implementation of a system by which customers could be charged and the fund reimbursed.

(5) The development of procedures for: reconciling inventory purchased and sold with the funds disbursed and received; reconciling stores in transit between reporting stations; and periodic audits of accounts of reporting stations to assure that the system was functioning correctly.

(6) The development of a Charter for approval of the Secretary of Defense.

This was indeed a "large order". The next chapter will discuss the establishment of the Marine Corps Stock Fund.





## CHAPTER II

### ESTABLISHING THE FUND

In order that a thorough study might be made of this undertaking, a Joint Task Force was appointed by the Secretary of the Navy composed of representatives of the Office of the Navy Comptroller and the Marine Corps. This working panel was charged not only with the responsibility of determining what, where, when, and how this concept of supply management, entirely new to the Marine Corps, was to be established, but it was also responsible for directing the action needed for an orderly cutover. By the time the Task Force itself had been designated, there was a scant eight months remaining before 1 July, 1953. On that date the Secretary of the Navy expected (or, to state it more correctly, hoped) that a Marine Corps revolving stock fund would be in operation in each activity selected and within each applicable material category.

This was not a simple undertaking. The changes involved in shifting from the financing of stocks directly from annual appropriations to the concept of a revolving stock fund were great enough in themselves: the very limited time available to effect these changes offered quite a different challenge to the Task Force and to the entire Marine Corps Supply Department.

The first steps taken by the joint working panel were to outline the tasks to be accomplished and to establish an organiza-





tional chart for the Stock Fund. This included the missions of each segment of the organization and the relationships to the existing supply management structure. It was recognized that financial reporting would be one of the more difficult aspects of this change-over and therefore priority and considerable attention was devoted to this area. Directly related, of course, to the financial reports needed was a new system for stores accounting which would reflect monetary returns.

The selecting and pricing of items that would be subjected to stock fund financing was somewhat of a problem in itself.

This is to mention only a few of the many complicated questions that had to be solved by the Task Force. To insure that the major activities concerned were properly indoctrinated and that they thoroughly understood the details of the intended changes, members of the Task Force visited each of these commands for the purpose of assisting supply personnel.

In spite of the magnitude of the task, work progressed very satisfactorily. A proposed charter was submitted: it was approved by the Department of Defense on 1 June, 1953. A financial plan for the ensuing fiscal year, 1954, was submitted and approved by the President. Tentative accounting instructions were distributed to the activities which were to operate under the Fund's Charter.

On 1 July, 1953, the Marine Corps Stock Fund officially commenced operations. The following field activities participated:



Marine Corps Clothing Depot, Philadelphia, Penn.  
 Marine Corps Recruit Depot, San Diego, Calif.  
 Marine Corps Recruit Depot, Parris Island, S. C.  
 Marine Corps Forwarding Depot, Portsmouth, Va.  
 Marine Corps Forwarding Annex, San Francisco, Calif.  
 Marine Corps Supply Center, Barstow, Calif.  
 Marine Corps Supply Center, Albany, Ga.  
 Marine Corps Base, Camp Pendleton, Calif.  
 Marine Corps Base, Camp Lejeune, N. C.  
 Marine Corps Schools, Quantico, Va.  
 Marine Corps Air Station, (Subsistence only),  
     Cherry Point, N. C.  
 Marine Corps Air Station, (Subsistence only),  
     Santa Ana, Calif.  
 Marine Corps Air Station, (Subsistence only),  
     Miami, Fla.

Regular Marine Units (Individual Clothing only), except those on a "Combat Accountability" basis.

The Charter for the Marine Corps Stock Fund, as approved, is reproduced below.<sup>4</sup>

#### CHARTER FOR THE MARINE CORPS STOCK FUND

##### I Authority

The Marine Corps Stock Fund is hereby established pursuant to Section 405 of the National Security Act amendments of 1949.

##### II Purpose

To provide for Stock Fund financing of all depot or bulk stocks of materials and supplies held for sale or issue that meet the criteria to be established under regulations to be prescribed by the Secretary of Defense.

##### III Effective Date

Marine Corps Stock Fund will commence operations as of 1 July, 1953.

##### IV Management of the Fund

Under the direction of the Commandant of the Marine Corps, the Quartermaster General of the Marine

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<sup>4</sup>Marine Corps Stores Accounting Manual, pp. 11 - 1v, Washington, Department of the Navy, Hdqrs., USMC, 1954



Under the provisions of the Act, the Secretary of the Interior is authorized to acquire, by purchase or otherwise, any land owned by the United States, or any interest therein, which may be necessary for the establishment of a national monument, or for the preservation of the objects of interest therein, and to convey the same to the National Monument, or to the objects of interest therein, as the case may be.

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Corps will administer and manage the Marine Corps Stock Fund in conformity with such policy statements and appropriate regulations as may be issued by higher authority.

V      Functions and Responsibilities

With respect to the materials and supplies financed under the Stock Fund, the responsibilities of the Quartermaster General of the Marine Corps include, but are not limited to:

- a) Management of the Fund in such a manner as will obtain optimum use of fund capital with minimum stock levels.
- b) Formulation and establishment of operating procedures as required.
- c) Computation of prices and promulgation of necessary catalogs and price lists.
- d) Administration of funds made available for operation of the Fund.
- e) Management of acquisition, storage, control and distribution of inventories.
- f) Maintenance of required accounts and records.
- g) Preparation of required fiscal and financial reports and statements.

VI      Material Categories

- a) Marine Corps supply classifications will be sub-divided for the purpose of identifying categories which meet the criteria for stock fund financing. The stock fund account will encompass all inventories at establishments identified under Section VII of all supply groups under the categories so identified by Marine Corps Supply Bulletins and catalogs, including, but not limited to, Individual Clothing, Non-perishable Subsistence, Electronics, Engineer, General Supply, Motor Transport and Ordnance.





b) For all selected Stock Fund categories, the Stock Fund will include: (1) Serviceable material, both new and used; (2) unserviceable material; (3) excess and surplus material pending disposal; and (4) mobilization or special reserve stocks.

## VII Establishments Included

- a) All types of Marine Corps Depots.
- b) Marine Corps Schools, Quantico, Va.
- c) Major Marine Corps Air Stations in continental United States.
- d) For Individual Clothing only, all regular Marine Corps units except those on combat accountability.

## VIII Authorized Purchasers

Authorized purchasers of materials and supplies acquired, stored, and issued by the Marine Corps Stock Fund, include such parties as may be authorized by competent authority in accordance with law and subject to such regulations as may be issued by the Secretary of Defense.

## IX Initial Working Capital

Initial capitalization in the Marine Corps Stock Fund as of 1 July, 1953, will consist of:

- a) Cash.
- b) The value of supplies on order and undelivered which have been obligated under and will be paid for from annual appropriations for Fiscal Year 1953 or prior years.
- c) Value of on-hand inventories at all installations in which stocks are maintained as identified in Section VII above.
- d) A liability in the form of a stock withdrawal credit to be based on amount of approved budget requirements for stock fund issues in excess of available funds for Fiscal Year 1954, such credits to be prorated and distributed on the basis as cash allotment for consumption.

1) The first paragraph of the first article of the Constitution of the United States shall be amended to read: "We the People of the United States, in order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do hereby constitute and ordain this Constitution."

## ARTICLE II

(1)

2) All powers not delegated to the United States by the Constitution, nor prohibited to the States by the States, are reserved to the States respectively, or to the People.

3) The Congress shall have the Power to lay and collect Taxes, to regulate Commerce with foreign Nations, to borrow Money on the credit of the United States, to define and punish Crimes against the Law of Nations, to declare and regulate War, to raise and support Armies, to regulate the Militia, to provide for the Punishment of Offenses, to constitute Tribunals, to make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States.

## ARTICLE III

VII

Section 1. The judicial Power shall extend to all Cases in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under the Authority of the United States; to all Cases affecting Ambassadors, other public Ministers and Consuls; to all Cases of admiralty and maritime Jurisdiction; to Controversies between two or more States; between one State and one or more Citizens of another State; between Citizens of different States; between Citizens of the same State claiming Lands under Grants of different States, and between a State and Citizens of another State.

## ARTICLE IV

IX

Section 1. The judicial Power shall extend to all Cases in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under the Authority of the United States; to all Cases affecting Ambassadors, other public Ministers and Consuls; to all Cases of admiralty and maritime Jurisdiction; to Controversies between two or more States; between one State and one or more Citizens of another State; between Citizens of different States; between Citizens of the same State claiming Lands under Grants of different States, and between a State and Citizens of another State.

## ARTICLE V

Section 1. The Congress shall have the Power to propose Amendments to this Constitution, or on the Application of two thirds of the Legislatures of three fourths of the several States, to call a Convention for proposing Amendments, which, when proposed by either of the two Modes, shall be valid when ratified by three fourths of the whole Number of the States.

Section 2. No State shall be deprived of equal Representation in the Senate without its Consent.

Section 3. A Representative or elector in any State shall be a Citizen of that State, and seven Years shall have expired since he attained to the Age of twenty one Years, and shall, when elected, have resided seven Years in that State, and shall, when elected, have resided seven Years in that State, and shall, when elected, have resided seven Years in that State.



X      Exceptions to Approved Policies for Stock  
Fund Operations

The requirements that price differentials be established to recognize the difference in value of new items and items in less than new condition is waived until stocks can be accurately classified as to condition and proper price differentials established, but not later than 30 June, 1955.

Approved:

/signed/

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Assistant Secretary of Defense (Comptroller), 1 June, 1953.

The Marine Corps was justly proud of its accomplishment in establishing this Fund and was commended by the Secretaries of Defense and Navy and by the Congress both for the spirit with which the task was undertaken and the rapidity with which it was accomplished. This is not to presume that on 1 July, 1953, the task was by any means completed. There were many rough spots to be smoothed out. Other areas into which the stock fund financing principle could be extended were to be developed. These points will be discussed later in this paper.

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## CHAPTER III

### THE STOCK FUND IN OPERATION

Organization. -- As provided in its charter, The Quartermaster General of the Marine Corps is the manager of the Stock Fund. To assist him in the overall control of the operation, there has been established a central office known as the Stock Fund Management Section. This section, acting under the direction of the Quartermaster General, controls and coordinates a number of major segments of the fund, each having cognizance over a particular commodity area. These segments are termed Supply and Inventory Points and are all located at Headquarters Marine Corps. Each of these control points is responsible for the complete management of the fund within its particular commodity area: Such as, determination of requirements, procurement, distribution, storage, etc. Presently there are eight Supply and Inventory Control Points managing all related items of supply in their individual commodity areas. These are Electronics, Engineer, General Property, Clothing, Motor Transport, Ordnance, Subsistence, and Fuel Supply. Each of these control points manages its segment of the Fund through the evaluation of monthly financial and stock status reports.

Budgeting. -- In the strict sense of the word, budgeting, as it applies to the complete estimating process culminating in an appropriation request going before Congress, is not generally





required for the Marine Corps Stock Fund appropriation. It is only when augmentation of the Fund is desired that budget estimates must be submitted in a manner similar to that of annual appropriation requests.

Under the revolving fund principle, the funds once authorized by specific provision of law to finance a continuing cycle of operations, along with the receipts derived from such operations, are available in their entirety for use by the fund management without further action by Congress. This implies that the manager of the Marine Corps Stock Fund would have freedom of administration and control to the extent of the resources of the fund in using his considered judgment to maintain inventory levels. However, this is not the case. Administrative controls, through the imposition of the apportionment process, have restricted the fund management to a very great extent. In an effort to reduce the tremendously high and somewhat out-of-balance inventory levels of all the services, the Bureau of the Budget has insisted that properly justified apportionment requests be submitted to them through administrative channels. This in effect means that the reimbursements that the Stock Fund receives from the sale of its products are not automatically available to the manager for the purchase of replacement items. Before funds can be committed for purchases, there must be full justification in reviews before the Department of Defense and the Bureau of the Budget. In these reviews consideration is given, among other things, to present





stock levels, use rates, and the overall objective to reduce inventories and to bring them into balance where possible. This objective is obviously a worthy one but at the present time, and until the program of stratification of inventories is completed, these reviews, with their prime consideration in economy, may cause critical items of inventory to run to dangerously low levels.

Figures from the first annual operating report of the Marine Corps Stock Fund are interesting in respect to the discussion above. These are approximate figures for Fiscal Year 1954.<sup>5</sup>

Gross Sales . . . . .	\$57,000,000.00
Apportioned by the Bureau of the Budget . . . . .	\$35,000,000.00
Funds Committed . . . . .	\$25,000,000.00
Funds Obligated . . . . .	\$20,000,000.00
Funds Expended . . . . .	\$16,000,000.00

In comparing the sixteen million dollars actually expended with the fifty-seven million dollars in gross sales, it is easy to determine that some forty million dollars of issues were not replaced by receipts of stock. No matter how one looks at it, a good part of this "saving" can be attributed to the apportionment limitations and it might well be that some serious shortages have developed.

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<sup>5</sup>Annual Report, Fiscal Year 1954, The Marine Corps Stock Fund, p. 4, Washington, Department of the Navy, Hdqrs. USMC, 1954.





It is interesting to note that the "Cooper Committee" in its study of government operations has strongly recommended that the apportionment process be discontinued as a means of regulating stock fund financing.

Stratification. -- There is presently underway within the Marine Corps and throughout the Defense Department a concerted program for the stratification of inventories. This is a tremendous project wherein the stock level of each item of each material category is individually analyzed with respect to our readiness position. Because the program was undertaken without the help of additional personnel and because the work-load has fallen into areas already over-loaded, some delays in the completion of the program are being experienced. In referring to the pressure being applied to complete this stratification project and the restrictions imposed on the Fund management by the apportionment process, the first annual report of the Stock Fund makes the following comment:<sup>6</sup>

By pressing the issue to great extremes and subjugating to a degree the primary purpose of supply services, that of furnishing adequately all items of supply to the field forces, the Marine Corps has made progress in implementing existing directives.

The following strata have been adopted for Marine Corps use:

(a) Peacetime Operating Stock

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<sup>6</sup>Ibid., p. 12.



- (1) Peacetime Operating Stock less Initial Equipment held in Depots for Peacetime Operating Forces
- (2) Initial Equipment held in Depots for Peacetime Operating Forces.
- (b) Mobilization Reserve Stock
- (c) Long Supply
  - (1) Retention Level (Economic Reserve)
  - (2) Excess

With the exception of the items of supply within the Ordnance category and the spare parts segment of the Engineer category, stratification is expected to be completed by the end of the present fiscal year, 1955.

Procurement. -- In the majority of cases the actual procurement of supplies is initiated at the Supply and Inventory Control Points at Headquarters Marine Corps. It is Marine Corps policy to allow only limited procurement at the field activity level. Allotments are granted to the field for local procurement in emergency situations and to purchase limited stocks of items not under controlled procurement.

Sales. -- Field activities using stores drawn from the Marine Corps Stock Fund Account must, of course, cite in detail the funds which are available to the activity to pay for the materials received (appropriation, sub-head, object-class, etc.). The stores issuing activity then submits a monthly report of issues



17. The Committee is of the opinion that the Government should take steps to ensure that the public is kept informed of the progress of the work of the Committee.

18. The Committee is of the opinion that the Government should take steps to ensure that the public is kept informed of the progress of the work of the Committee.

(b) The Committee is of the opinion that the Government should take steps to ensure that the public is kept informed of the progress of the work of the Committee.

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to Headquarters analyzed by chargeable accounting classification. From these monthly reports, summaries are made and charges entered against each appropriation and sub-head concerned. The total of all these charges is credited to the Stock Fund.

Control. -- There are several phases of control applicable to Stock Fund operations. Each will be discussed briefly.

The administrative control exercised by higher echelons through the apportionment process has already been mentioned.

Accounting controls are maintained through an Appropriation Ledger kept by the Fiscal Director and through detailed project ledgers and a Marine Corps Stock Fund General Ledger maintained by the Supply Department. Monthly financial reports, showing both the cash position and the inventory values, are prepared from this General Ledger and submitted to the Navy Comptroller, Defense Department Comptroller, the General Accounting Office, and the Bureau of the Budget. Detailed accounting instructions are to be found in the Marine Corps Stores Accounting Manual, NAVMC 1094SD, and in Headquarters Marine Corps Fiscal Accounting and Reporting Instructions.

Monthly status of allotment reports supply management with data as to the obligations to date and the unobligated balances of each allotment.

In regard to inventories, there has been developed a system of control over both dollars and items that provides





management monthly with great detail on conditions at each field reporting activity. The monthly financial reports from the field reflect detailed and summary information on inventories by categories including all factors that take any part in determining the dollar amount of inventory. These factors include receipts with charge to the fund, sales, accounting adjustments, the value of opening and closing inventories, etc. This information is submitted for each type of item within each category of supply. Item inventory reports, more commonly called Stock Status Reports, provide similar information with respect to numbers of items, not dollar value.

The annual budget for the Stock Fund which was discussed earlier is based on actual inventories as related to desired goals: It considers both anticipated sales and receipts from procurement. As an added control measure, the Stock Fund Management Section prepares a financial plan for each ensuing quarter. This plan uses the actual operating experience gained to date, together with any known future changes, in comparing the then existing inventory levels with the budgeted goals. With this up-to-date information better decisions can be made for the procurement of new stocks, the redistribution of stocks, the cancellation of proposed obligations, etc.

The completion of the program of stratification will provide an excellent device in the control of procurement and the establishment of satisfactory inventory levels.



When stratification is accomplished, when (and if) the requirement of apportionment in stock fund financing is done away with, when the present reporting system is further refined, and when more experience is gained in the estimating of sales, stock fund management will have still greater and much more effective control over its operations.





## CHAPTER IV

### GROWTH AND EXTENSION OF THE FUND

On 1 July, 1953, when the Marine Corps Stock Fund officially commenced operations, it was capitalized at \$316,000,000. This consisted of \$276,210,000 in inventories involving some thirty-four thousand individual items of stock and \$40,000,000 in cash that had been transferred from unobligated balances of annual appropriations. Had more time been available to the Task Force in establishing the Fund, no doubt, there would have been additional items initially capitalized. Establishing standard prices for each item required time for both research and study. Stock fund item prices reflect not only the most recent representative procurement price of the item, but also a factor for the cost of first destination transportation and a factor of recoverable loss which includes obsolescence, damage to stock, etc. This was a difficult and time-consuming task.

During the fiscal year of 1954 thirteen thousand additional items having a value of over \$40,000,000 were brought under stock fund cognizance. As of the end of the first year of operation, the capital of the fund had increased to \$421,000,000. The cash account was \$34,000,000 higher: this was due to a large extent to the restrictions on procurement resulting from apportionment.

The Stock Fund Management Section assumed cognizance over a new category of material on 1 July, 1954, when Fuel Supply came





under its control. Another Supply and Inventory Control Point was established at Headquarters to manage the seventy-four items involved. These had a total value of approximately \$500,000.

It is not expected that any other major category of material will be converted to stock fund financing.

In November, 1954, forty-two thousand additional items were placed under Stock Fund cognizance, all within categories already established, bringing the total number of items to almost ninety thousand. At the present time items that meet existing criteria for this type of financing are about exhausted. It is, however, anticipated that additional small groups of items will be converted from time to time. The Marine Corps will also stand ready to increase the scope of its Stock Fund coverage if a recommendation of the "Cooper Committee" to modify present criteria is approved.

Stock Fund financing within the Marine Corps is off to an excellent start. With the added experience to be gained from continued operations, the Fund will no doubt provide management with a much more effective means of control in supply matters than would have ever been possible under the discarded system.





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